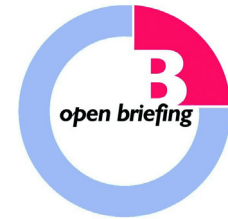


## Attention ASX Company Announcements Platform Lodgement of Open Briefing



**corporatefile.com.au**

Thundelarra Exploration  
Level 33 - QV1 Building  
250 St Georges Tce  
Perth, WA 6000

---

**Date of lodgement:** 14-Nov-2003

**Title:** Open Briefing. Thundelarra. Update on Nickel Assets

**Record of interview:**

**corporatefile.com.au**

In early October 2003, Thundelarra Exploration Ltd entered into a farm out and joint venture agreement with LionOre in respect of Thundelarra's East Kimberley nickel tenements. LionOre farms into an area of approximately 50% of the 2,800 sq km ("First Area") held by Thundelarra. Why did you joint venture with LionOre when Sally Malay Mining, which is constructing a nickel plant nearby and is already in the Copernicus Joint Venture with Thundelarra, was the obvious partner?

**Chairman Phil Crabb**

Sally Malay was certainly invited to have a look at the proposal we eventually signed with LionOre. We spoke to them in some detail but it makes sense just to go with the one joint venture partner. Sally Malay is our partner in the Copernicus Joint Venture, which is returning some exciting results. We have an excellent relationship with Sally Malay and we hope there are more opportunities to joint venture with them in the East Kimberley. In the meantime, we look forward to the next round of drilling results from Copernicus.

**corporatefile.com.au**

Can you update Sally Malay's progress with the feasibility study and recent exploration for the Copernicus Joint Venture (Sally Malay earning 60%)?

**Chairman Phil Crabb**

Copernicus looks better all the time. Sally Malay recently upgraded the Indicated Resource to 241,000 tonnes at 1.5% nickel and 0.8% copper, which is around a 10% increase in tonnes. Copernicus has only been drilled to 80 metres and we're hopeful that it can extend laterally and at depth like Sally Malay's own project nearby.

More recently, Sally Malay announced that they have further EM data indicating something just north of Copernicus. I believe they'll be drilling that in the next week or so. Sally Malay has just raised \$10 million in new equity which will be used, in part, to complete the feasibility study on Copernicus, with the aim to commence mining in 2005, to test the new EM target, to expand Copernicus and to follow up on the Salk and Kepler prospects. I felt that the prominence of Copernicus in Sally Malay's recent ASX release suggests that it's a major target for them and we certainly believe it looks pretty good. The North Salk prospect may even be bigger than Copernicus.

**corporatefile.com.au**

What was the process of splitting the tenements between the LionOre farm-in and those wholly retained by Thundelarra?

**Chairman Phil Crabb**

The decision on how to split the tenements was made in detailed discussion between Thundelarra's and LionOre's geological staff. LionOre took some of the tenements where they believe they can get fairly quick results, while we retained some of the tenements where little work has been done. These are also closer to the camp we're leasing in the East Kimberley. We put quite a lot of effort into deciding which tenements each company should explore.

**corporatefile.com.au**

Once LionOre has earned a 60% interest on the First Area, it may elect to expand the joint venture to include additional areas. If so, it must sole fund all joint venture expenditure until it has contributed an amount equal to 150% of Thundelarra's expenditure on the additional areas brought in. In other words, if Thundelarra discovers an economic deposit, then LionOre can secure 60% of it by reimbursing Thundelarra little more than its exploration expenditure to that point. Does that provide sufficient incentive for Thundelarra to explore its wholly retained tenements?

**Chairman Phil Crabb**

We think that deal is attractive to both parties. We have a very large land holding in the East Kimberley which requires the involvement of a major mining company to help with the exploration effort and potentially with any developments.

The deal with LionOre allows us to make a three-pronged attack on our extensive tenements in the East Kimberley. We have the Copernicus Joint Venture with Sally Malay, we have the LionOre joint venture and we have our 100%-owned tenements. By joint venturing with larger companies, Thundelarra has a far greater exposure to exploration than we would have if we continued on our own. Thundelarra and our partners could be spending up to \$3 million to \$4 million per

annum on exploration in the East Kimberley. We couldn't do that on our own. This has been our philosophy across all our commodities and exploration areas, including gold and diamonds, and it has worked well.

**corporatefile.com.au**

After a placement to LionOre and an entitlement to shareholders, Thundelarra will hold approximately \$7.3 million in cash, which it will apply over the next 3 years in exploring its retained area in the East Kimberley, its nickel and base metal prospects in the Pilbara and gold prospects in Western Australia. What will be the process of prioritising your projects as they compete for exploration dollars?

**Chairman Phil Crabb**

Our gold and diamond joint ventures are largely funded by our joint venture partners and that allows us to spend most of our cash on our nickel, base metals and platinum group metals tenements in the East Kimberley. It will largely be the task of our Exploration Director, Brian Richardson, to prioritise Thundelarra's projects. We have also just applied for additional tenements for nickel in the Pilbara because we think there's good potential there.

**corporatefile.com.au**

LionOre will earn a 60% interest on the First Area by sole funding the first \$5 million of exploration expenditure over 5 years. When will you know of LionOre's exploration plans?

**Chairman Phil Crabb**

LionOre has already outlined its plans. They have a program set down for March 2004, as soon as the wet season is over. They will commit \$1.5 million for the first year on a no success basis, so that is a minimum.

**corporatefile.com.au**

Thundelarra made a placement of 7.8 million Thundelarra shares to LionOre Mining International Limited at 45 cents including 11 million free unlisted options exercisable at 68 cents. After an entitlement to Thundelarra shareholders, LionOre will hold approximately 11% of Thundelarra on an undiluted basis. Will LionOre appoint a board member and in what ways will Thundelarra benefit from having LionOre on the register and in joint venture?

**Chairman Phil Crabb**

LionOre have the right to appoint a board member to Thundelarra but they haven't indicated whether they will or not. LionOre are listed on the London Stock Exchange, the China Stock Exchange and the Australian Stock Exchange with a market capitalisation of around \$1.5 billion, which puts them clearly in the top 100 companies of the ASX. They have very good expertise in exploration with a hands-on approach and that's what a small company like Thundelarra needs. We can learn a lot from them. LionOre also owns the Activox hydrometallurgical process for treating nickel sulphide concentrates. Having access to this leaching technology might be beneficial if we discover a large, low grade deposit because the process upgrades those deposits into higher grade concentrates.

**corporatefile.com.au**

Gravity Capital, the manager of your Phillips Range Central Kimberley Diamond Project (BHP Billiton/Gravity Capital earning 60%), has identified 38 priority targets after processing of data from the Falcon<sup>TM</sup> survey earlier this year. Drilling commenced in late August. Have you been given any indication of the drill results and when do you expect the full results to be available?

**Chairman Phil Crabb**

No we haven't received any indication of the drill results yet. The joint venture has spent around \$1.5 million this year on flying the survey and drilling. The results are still being collated and assessed. We should have them within the next few weeks. The diamond project is still a very important part of our portfolio but it's just that the nickel project has had the recent limelight. BHP Billiton and Gravity Capital also still regard the project very highly.

We're also actively seeking more joint venture partners for our gold projects and we believe we'll be able to do that with the gold price approaching US\$400 per ounce.

**corporatefile.com.au**

Thank you Phil.

---

For all Thundelarra Open Briefings visit [www.corporatefile.com.au](http://www.corporatefile.com.au)

For further information on Thundelarra visit [www.thundelarra.com](http://www.thundelarra.com)